

	Current System		New System			
	Owner	Consumer	Owner	Consumer		
Business Revenues		5,000,000		5,000,000		
Current Sales Tax (just the 5%) on \$1.5 m		75,000				
Price Increase equal to decline in sales tax				75,000	1.5%	
Price Increase needed for business to break even				7,896	0.2%	
					1.66%	
Consumer's Full Price		5,075,000		5,082,896		
Change in Total Price for Consumer				7,896	0.2%	
Business Profits	400,000					
State Taxes						
Income Taxes	32,548			13,970		
Sales Taxes (at the 5% rate that goes away)		75,000		0		
Business Tax				112,000		
Total CA Tax Collections	32,548	75,000	107,548	125,970	0	125,970
Less Funded by Shifting of Sales Tax to Business Tax				-75,000		
Owner's Cash Out of Pocket				50,970		
Less Possible Lower Federal Taxes				-5,527		
Less Sales Taxes on Owner's Personal Consumption				-5,000		
				40,443		
Change In Individual's After Tax Earnings and After Sales Taxes				-7,896		
Increase in Income Taxes If No Price Increase to Cover it				-24.3%		